

**MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

Buena Vista – March 17, 2008

Attendance:

Member	Present
H. Beckler	Yes
J. Bullock	Yes
L. Davis Burnham	Yes
R. Byrd	Yes
N. Cook	Yes
R. Cordrey	Yes
J. Davis	Yes
R. Davis	Yes
R. Derrickson	Yes
J. DiPinto	No
F. Dixon	No
B. Fasy	No
R. Gilligan	Yes
R. Glen	Yes
J. Horthy	Yes

Member	Present
D. Hudson	No
R. Larson	Yes
K. Lewis	Yes
D. Link	No
A. Lubin	Yes
J. Markell	Yes
J. McKinney Cherry	Yes
C. Morgan	Yes
E. Ratledge	Yes
G. Simpson	Yes
T. Shopa	Yes
H. Smith-Windsor	Yes
D. Swayze	Yes
C. Wicks	Yes

Members in Attendance: 24

Members Absent: 5

Others Present: P. Carter, M. Casey, T. Cook, J. Craig, D. Dilman, R. Geisenberger, K. Gomes, D. Gregor, M. Jackson, P. Jackson, S. Kubico, B. Maxwell, B. Motyl, P. Savini, B. Scoglietti, E. Seibert, A. Shepard-Visalli, B. Taylor and members of the press.

Opening Business: Mr. Byrd called the meeting to order at 3:00 p.m.

Mr. Byrd commended the good turn out for the meeting and said that it will be important to have strong participation in the subsequent three meetings.

The minutes from the December meeting were approved as submitted.

Expenditure Subcommittee:

Ms. Davis Burnham presented the Expenditure Subcommittee's report. Ms. Davis Burnham noted that expenditure reductions have begun in the face of the economic slowdown. The Reversion estimate was increased by \$8.0 million.

A motion was made, seconded and approved to accept \$3,444.1 million as the expenditure estimate for FY2008. This represents a decrease of \$9.9 million from the December estimate. (See Tables 1a and 1b.)

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report.

Economic Outlook

Mr. Gregor noted that over the past two months both Global Insight and Economy.com have incorporated a recession as their baseline forecast for the U.S. economy. This view has been supported by the Blue Chip consensus, a Wall Street Journal poll of economists, as well as Martin Feldstein and Alan Greenspan.

Mr. Gregor observed that, since the first of the calendar year, economically sensitive revenue categories in Delaware have been negative. This includes withholding payments and gross receipt payments. Mr. Gregor concluded that the consistency between the economic forecasts and actual revenue collections lead to the adoption of the Global Insight baseline forecast.

Mr. Gregor also noted that at inflection points in the economy consumer confidence becomes a driver of the economy. This measure has been falling.

Mr. Craig reviewed the details of the Global Insight forecast. GDP in the current quarter and the next quarter are expected to contract. The impact of the stimulus package boosts growth in the third and fourth quarters but quickly wears off by the first quarter of 2009. In FY2009, U.S. employment growth slows to 0.1%. Mr. Craig noted that in the previous recessions employment growth fell between 0.5% and 1.0%. Delaware's economic performance is expected to be similar to the national outlook.

Mr. Lewis noted that the economic news has generally gotten worse since the Global Insight economic forecast was prepared and he expects the next outlook to be even more pessimistic.

Mr. Harty asked how the housing problems would be resolved in the face of large inventories and difficulties in the credit markets. Mr. Lewis noted that the Federal Reserve is using monetary tools that historically it has not employed.

Mr. Lubin noted there is titling activity going on in all three counties that suggests that there are sales occurring in existing homes.

Mr. Derrickson said that he was very pessimistic about the economy until 2010. He noted that the weak dollar is leading to the high price of oil and other commodities.

General Fund Revenues - Fiscal Year 2008:

The Revenue Subcommittee recommended the following updates to December's estimates:

Revenue Category	Dec-07	Mar-08	Change
Personal Income Tax	1,210.2	1,183.0	(27.2)
Corporation Income Tax	185.8	160.0	(25.8)
Bank Franchise Tax	143.9	120.5	(23.4)
Other Refunds	(19.6)	(42.3)	(22.7)
CIT Refunds	(40.0)	(50.0)	(10.0)
Cigarette Taxes	133.0	125.0	(8.0)
Corporate Fees	69.9	64.6	(5.3)
PIT Refunds	(177.0)	(180.0)	(3.0)
Dividends and Interest	25.3	28.3	3.0
Insurance Taxes	90.1	88.3	(1.8)
Limited Partnerships & LLC's	107.6	105.9	(1.7)
Realty Transfer Tax	84.1	82.6	(1.5)
Other Revenues	90.6	91.7	1.1
Public Utility Tax	47.5	47.8	0.3
Estate Tax	0.1	0.2	0.1

For a complete listing of FY 2008 estimates, see Table 2.

Discussion of FY 2008 Estimates:

Personal Income Tax: Mr. Lewis stated that the net forecast was reduced by three percentage points. This reflects a slowdown in withholding and estimated payments.

Corporate Income Tax: Mr. Lewis stated that the decrease reflected the recession forecast and cautioned that, based on previous recession experiences, this category could drop even more significantly.

Bank Franchise Tax: Mr. Lewis reported that the drop was largely attributed to banks filing under the alternative tax method. Lower profitability is also reflected here.

Gross Receipts Tax: Mr. Gregor noted that collections strength in gas, oil and food is offsetting weakness in the other broad sectors of the economy.

Abandoned Property: Mr. Gregor reported that, while there is no change in the estimate, there are still many volatile elements to this category and it could be increased or decreased by as much as \$50.0 million before the end of the fiscal year. Mr. Cook indicated that there should be better information available at the next meeting.

Dividends and Interest: In response to a question from Mr. Morgan, Mr. Markell reported that the increase in this category reflected certain holdings getting called early.

Realty Transfer Tax: Mr. Derrickson said that there remains a huge inventory of unsold homes in Sussex County. He hypothesized that, when sales do recover, they would be at lower price levels.

Cigarette Tax: Mr. Lewis stated that the decrease reflects an underestimation of how consumers responded to the tax increase.

Other Refunds: Mr. Lewis reported that the increase in this category often reflects a slowing economy. Increases in Bank Franchise and Insurance accounted for most of the increase.

Updates in other categories were attributed to tracking changes.

Mr. Lewis noted that slowing of many revenue categories and the increases in refunds was consistent with the outlook of a slowing economy.

Mr. Simpson asked for an assessment of the likelihood that the forecast would change between now and the end of the fiscal year. Mr. Gregor noted that significant payments for many major categories come at the end of the year, indicating that there is a good chance that the forecast will change.

FY2008 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,251.8 million as the revenue estimate for

FY2008.

The estimate represents a decrease of \$125.9 million from DEFAC's December's estimate.

General Fund Revenues - Fiscal Year 2009:

Mr. Lewis reported that the Subcommittee recommended the following updates to December's estimates:

Revenue Category	Dec-07	Mar-08	Change
Corporation Income Tax	176.5	133.0	(43.5)
Personal Income Tax	1,266.6	1,225.2	(41.4)
Bank Franchise Tax	159.7	128.2	(31.5)
Franchise Tax	590.2	561.7	(28.5)
Cigarette Taxes	151.8	137.5	(14.3)
Corporate Fees	72.7	64.6	(8.1)
Dividends and Interest	25.9	18.9	(7.0)
Limited Partnerships & LLC's	120.6	113.9	(6.7)
Realty Transfer Tax	82.0	76.4	(5.6)
CIT Refunds	(40.0)	(45.0)	(5.0)
PIT Refunds	(185.9)	(189.0)	(3.1)
Insurance Taxes	95.1	92.4	(2.7)
Gross Receipts Tax	164.8	163.2	(1.6)
Hospital Board and Treatment	80.1	79.5	(0.6)
Other Revenues	93.7	93.2	(0.5)
Public Utility Tax	49.9	49.5	(0.4)

For a complete listing of FY 2009 estimates, see Table 2.

Discussion of FY2009 Estimates:

Personal Income Tax: Mr. Lewis stated that the net forecast was reduced by over one percentage point. This reflects the more pessimistic economic outlook. Mr. Lewis cautioned that if the economic outlook worsens, this category could be further reduced.

Corporate Franchise Tax: Mr. Lewis reported that there were multiple signs of weakness that lead to the reduction of this category from 4.0% growth in December to negative 1.0% currently. This included asset growth skidding to zero, no amendment growth, few new incorporations, and no new IPO's. Mr. Lewis also noted that growth rates were reduced for other components of this category – Limited Partnerships and Business Entity Fees.

Corporate Income Tax: Mr. Lewis stated that the reduction reflects a 20.0% net decline from FY2008.

Bank Franchise Tax: Mr. Lewis said that the reduction reflected both the lower FY2008 base and a reduction of the forecasted FY2009 growth rate.

Dividends and Interest: Mr. Markell reported that the decrease in this category reflected lower interest rates. Mr. Lewis also noted that balances would be lower.

Realty Transfer Tax: Mr. Lewis stated that the reduction in this estimate reflects a lowered growth rate. There was some sentiment that the estimate should be even lower. Mr. Morgan asked how collections breakdown between counties. Approximately 50% comes from New Castle County, 30% from Sussex County and 20% from Kent County. Mr. Lewis surveyed the Council to determine if there was a consensus to reduce the estimate further. There was none and the Revenue Subcommittee's recommended estimate was left unchanged.

Mr. Lewis reported that other changes reflected both the carrying forward of changes made in FY2008 and lowering growth rates based on the economic outlook.

FY 2009 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,323.6 million as the revenue estimate for FY2009.

The estimate represents a decrease of \$200.5 million from the December estimate.

Mr. Lewis presented the estimates for FY2010. He noted that the 4.9% growth rate reflected an expectation of a modest recovery by this time.

Mr. Gilligan reflected that this downturn in revenues presented a unique challenge because it had occurred late in the fiscal year leaving relatively little time to respond. Mr. Cordrey noted that the Office of Management and Budget has been preparing for the slowdown well in advance of this meeting.

Balance and Appropriations Worksheet: Mr. Gregor presented the balance and appropriations worksheet. The result is attached as Table 3.

Transportation Trust Fund (TTF)

TTF -- Expenditures: Mr. Motyl presented the Transportation Trust Fund's expenditure forecast.

Mr. Motyl reported that Total Operations Expenditures is estimated at \$354.2 million. This represents a decrease of \$4.1 million since December. It is attributed to a decrease in Debt Service.

State Capital expenditures was reduced by \$20.0 million. Mr. Motyl attributed this to a reduction largely due to delays in real estate acquisitions.

Federal Capital expenditures were reduced by \$41.4 million.

A motion was made, seconded, and approved to accept \$699.2 million as the FY2008 expenditure estimate. This represents a decrease of \$65.5 million from the December estimate (See Table 4.)

TTF -- Revenues: Mr. Motyl presented the Transportation Trust Fund's revenue forecast.

FY2008 Estimates:

The following changes were made from the December estimate.

Motor Fuel Tax: Decreased from \$126.0 million to \$124.0 million.

MV Document Fees: Decreased from \$68.0 million to \$65.2 million.

MV Registration Fees: Decreased from \$44.4 million to \$43.1 million.

Other DMV Revenues: Decreased from \$25.2 million to \$24.1 million.

Mr. Motyl noted that higher fuel prices have lowered consumption and results in a lower estimate for Motor Fuel Tax.

Mr. Motyl noted that continued weak auto sales require the lowering of the Motor Vehicle Document Fee estimate.

A motion was made, seconded, and approved to accept \$438.8 million as the FY2008 revenue estimate. This represents a decrease of \$7.2 million from the December estimate.

FY2009 Estimates:

The following changes were made from the December estimate.

Motor Fuel Tax: Decreased from \$128.5 million to \$126.5 million.

MV Document Fees: Decreased from \$81.2 million to \$77.9 million.

MV Registration Fees: Decreased from \$50.7 million to \$49.2 million.

Other DMV Revenues: Decreased from \$26.8 million to \$25.6 million.

Mr. Motyl noted that changes made in FY2008 carried forward into FY2009.

A motion was made, seconded, and approved to accept \$474.0 million as the FY2009 revenue estimate. This represents a decrease of \$8.0 million from the December estimate. (See Table 5.)

Other Business:

Mr. Byrd announced the next two scheduled DEFAC meeting dates:

- April 21, 2008
- May 19, 2008

There being no further business, Mr. Byrd adjourned the meeting at 4:15 p.m.

Respectfully submitted,

James A. Craig

Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2008 (\$ in millions)
March, 2008

	FY2004	FY2005	FY2006	FY2007	December FY2008 <u>Forecast</u>	March FY2008 <u>Forecast</u>	Difference <u>March vs Dec</u>	FY2008 YTD <u>(8 mo actual)</u>	% spent <u>YTD</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>					
Salaries	971.6	1,023.1	1,108.3	1,167.3	1,234.2	1,236.0	1.8	872.8	70.6%
Fringe Benefits	233.3	263.2	298.4	323.5	334.5	339.8	5.3	226.3	66.6%
Pension	127.8	147.1	180.7	201.5	219.6	221.1	1.5	156.0	70.6%
 Debt Service	 134.3	 153.5	 132.5	 131.2	 151.5	 151.1	 (0.4)	 117.0	 77.4%
Grants	224.2	294.1	403.1	365.1	261.0	258.0	(3.0)	189.4	73.4%
Medicaid	327.2	339.1	381.4	441.6	502.1	496.6	(5.5)	327.2	65.9%
Public Assistance Programs	62.8	83.6	91.7	94.1	94.3	93.9	(0.4)	63.6	67.7%
Professional Services & Travel	143.7	161.3	181.0	216.8	208.0	209.5	1.5	140.0	66.8%
Contractual Services	223.9	228.9	252.2	289.5	295.0	300.9	5.9	203.9	67.8%
Supplies & Materials	62.1	66.5	73.6	72.1	74.5	75.6	1.1	51.6	68.3%
Capital Outlay	<u>42.9</u>	<u>61.9</u>	<u>77.6</u>	<u>87.2</u>	<u>79.3</u>	<u>61.6</u>	<u>(17.7)</u>	<u>43.3</u>	<u>70.3%</u>
FY2008 Budgetary Expenditures	2,553.8	2,822.3	3,180.5	3,389.9	3,454.0	3,444.1	(9.9)	2,391.1	69.4%

Comments:

1. Employee salary increase for FY2008 was a flat rate per person.
2. Top 3 Grants are 93% of total and are: Univ of Delaware \$127.1; Schools (K-12) \$85.2; Delaware State Univ \$32.7.
3. Medicaid: \$20 mln of increase is an invoice for FY2007 billed and paid in FY2008.

Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2008 (\$ in millions)
March, 2008

	FY2004	FY2005	FY2006	FY2007	December FY2008 <u>Forecast</u>	March FY2008 <u>Forecast</u>	Difference <u>March vs Dec</u>	FY2008 YTD <u>(8 mo actual)</u>	% spent <u>YTD</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>					
Salaries	971.6	1,023.1	1,108.3	1,167.3	1,234.2	1,236.0	1.8	872.8	70.6%
Fringe Benefits	233.3	263.2	298.4	323.5	334.5	339.8	5.3	226.3	66.6%
Pension	127.8	147.1	180.7	201.5	219.6	221.1	1.5	156.0	70.6%
Debt Service	134.3	153.5	132.5	131.2	151.5	151.1	(0.4)	117.0	77.4%
Grants	224.2	294.1	403.1	365.1	261.0	258.0	(3.0)	189.4	73.4%
Medicaid	327.2	339.1	381.4	441.6	502.1	496.6	(5.5)	327.2	65.9%
Public Assistance Programs	62.8	83.6	91.7	94.1	94.3	93.9	(0.4)	63.6	67.7%
Professional Services & Travel	143.7	161.3	181.0	216.8	208.0	209.5	1.5	140.0	66.8%
Contractual Services	223.9	228.9	252.2	289.5	295.0	300.9	5.9	203.9	67.8%
Supplies & Materials	62.1	66.5	73.6	72.1	74.5	75.6	1.1	51.6	68.3%
Capital Outlay	<u>42.9</u>	<u>61.9</u>	<u>77.6</u>	<u>87.2</u>	<u>79.3</u>	<u>61.6</u>	<u>(17.7)</u>	<u>43.3</u>	<u>70.3%</u>
FY2008 Budgetary Expenditures	2,553.8	2,822.3	3,180.5	3,389.9	3,454.0	3,444.1	(9.9)	2,391.1	69.4%

Comments:

1. Employee salary increase for FY2008 was a flat rate per person.
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3. Medicaid: \$20 mln of increase is an invoice for FY2007 billed and paid in FY2008.

DEFAC Worksheet

March-08 DEFAC Meeting	FY 2007 A	FY 2008					FY 2009				
	Actual Collections	B DEFAC Dec-07	C % B over A	D DEFAC Mar-08	E % D over A	F \$ Increase D over B	G DEFAC Dec-07	H % G over B	I DEFAC Mar-08	J % I over D	K \$ Increase I over G
Revenue Category											
Personal Income Tax	1,172.8	1,210.2	3.2%	1,183.0	0.9%	(27.2)	1,266.6	4.7%	1,225.2	3.6%	(41.4)
Less: Refunds	(164.5)	(177.0)	7.6%	(180.0)	9.4%	(3.0)	(185.9)	5.0%	(189.0)	5.0%	(3.1)
PIT Less Refunds	1,008.3	1,033.2	2.5%	1,003.0	-0.5%	(30.2)	1,080.7	4.6%	1,036.2	3.3%	(44.5)
Franchise Tax	540.4	567.4	5.0%	567.4	5.0%	0.0	590.2	4.0%	561.7	-1.0%	(28.5)
Limited Partnerships & LLC's	91.9	107.6	17.0%	105.9	15.2%	(1.7)	120.6	12.1%	113.9	7.6%	(6.7)
Subtotal Franchise + LP/LLC	632.4	675.0	6.7%	673.3	6.5%	(1.7)	710.8	5.3%	675.6	0.3%	(35.2)
Less: Refunds	(9.9)	(11.0)	11.5%	(11.0)	11.5%	0.0	(11.0)	0.0%	(11.0)	0.0%	0.0
Net Franchise + LP/LLC	622.5	664.0	6.7%	662.3	6.4%	(1.7)	699.8	5.4%	664.6	0.3%	(35.2)
Business Entity Fees	65.4	69.9	6.9%	64.6	-1.2%	(5.3)	72.7	4.0%	64.6	0.0%	(8.1)
Uniform Commercial Code	13.0	14.3	9.9%	14.3	9.9%	0.0	13.3	-7.0%	13.3	-7.0%	0.0
Corporation Income Tax	190.8	185.8	-2.6%	160.0	-16.1%	(25.8)	176.5	-5.0%	133.0	-16.9%	(43.5)
Less: Refunds	(50.5)	(40.0)	-20.8%	(50.0)	-1.0%	(10.0)	(40.0)	0.0%	(45.0)	-10.0%	(5.0)
CIT Less Refunds	140.3	145.8	3.9%	110.0	-21.6%	(35.8)	136.5	-6.4%	88.0	-20.0%	(48.5)
Bank Franchise Tax	175.2	143.9	-17.8%	120.5	-31.2%	(23.4)	159.7	11.0%	128.2	6.4%	(31.5)
Gross Receipts Tax	157.3	158.0	0.4%	158.0	0.4%	0.0	164.8	4.3%	163.2	3.3%	(1.6)
Lottery	256.7	257.0	0.1%	257.0	0.1%	0.0	264.5	2.9%	264.5	2.9%	0.0
Abandoned Property	364.9	369.0	1.1%	369.0	1.1%	0.0	380.0	3.0%	380.0	3.0%	0.0
Hospital Board and Treatment	63.6	71.5	12.5%	71.5	12.5%	0.0	80.1	12.0%	79.5	11.2%	(0.6)
Dividends and Interest	25.3	25.3	0.1%	28.3	12.0%	3.0	25.9	2.4%	18.9	-33.2%	(7.0)
Realty Transfer Tax	90.9	84.1	-7.5%	82.6	-9.2%	(1.5)	82.0	-2.5%	76.4	-7.5%	(5.6)
Estate Tax	0.4	0.1	-72.7%	0.2	-45.4%	0.1	0.0	-100.0%	0.0	-100.0%	0.0
Insurance Taxes	88.3	90.1	2.1%	88.3	0.1%	(1.8)	95.1	5.5%	92.4	4.6%	(2.7)
Public Utility Tax	46.2	47.5	2.9%	47.8	3.6%	0.3	49.9	5.1%	49.5	3.6%	(0.4)
Cigarette Taxes	88.3	133.0	50.6%	125.0	41.6%	(8.0)	151.8	14.1%	137.5	10.0%	(14.3)
Other Revenues	103.5	90.6	-12.5%	91.7	-11.4%	1.1	93.7	3.4%	93.2	1.6%	(0.5)
Less: Other Refunds	(19.8)	(19.6)	-0.8%	(42.3)	114.1%	(22.7)	(26.4)	34.7%	(26.4)	-37.6%	0.0
Net Receipts	3,290.2	3,377.7	2.7%	3,251.8	-1.2%	(125.9)	3,524.1	4.3%	3,323.6	2.2%	(200.5)

FY 2009 Debt Limit:

\$166.2

Table 2.
DEFAC Worksheet

March-08 DEFAC Meeting	FY 2010				
	L DEFAC Dec-07	M % L over G	N DEFAC Mar-08	O % N over I	P \$ Increase N over L
Revenue Category					
Personal Income Tax	1,344.0	6.1%	1,300.3	6.1%	(43.7)
Less: Refunds	(195.1)	4.9%	(198.5)	5.0%	(3.4)
PIT Less Refunds	1,148.9	6.3%	1,101.8	6.3%	(47.1)
Franchise Tax	613.8	4.0%	567.3	1.0%	(46.5)
Limited Partnerships & LLC's	<u>135.0</u>	11.9%	<u>127.4</u>	11.9%	(7.6)
Subtotal Franchise + LP/LLC	748.8	5.3%	694.8	2.8%	(54.0)
Less: Refunds	<u>(11.0)</u>	0.0%	<u>(11.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	737.8	5.4%	683.8	2.9%	(54.0)
Business Entity Fees	75.6	4.0%	64.6	0.0%	(11.0)
Uniform Commercial Code	13.7	3.0%	13.7	3.0%	0.0
Corporation Income Tax	185.3	5.0%	145.0	9.0%	(40.3)
Less: Refunds	<u>(35.0)</u>	-12.5%	<u>(35.0)</u>	-22.2%	<u>0.0</u>
CIT Less Refunds	150.3	10.1%	110.0	25.0%	(40.3)
Bank Franchise Tax	170.4	6.7%	137.9	7.6%	(32.5)
Gross Receipts Tax	174.0	5.6%	172.4	5.6%	(1.6)
Lottery	269.9	2.0%	269.9	2.0%	0.0
Abandoned Property	390.0	2.6%	390.0	2.6%	0.0
Hospital Board and Treatment	84.0	4.9%	83.4	4.9%	(0.6)
Dividends and Interest	26.4	1.9%	19.4	2.6%	(7.0)
Realty Transfer Tax	86.1	5.0%	78.7	3.0%	(7.4)
Estate Tax	0.0	#DIV/0!	0.0	NA	0.0
Insurance Taxes	101.3	6.5%	97.4	5.4%	(3.9)
Public Utility Tax	52.4	5.0%	51.9	4.8%	(0.5)
Cigarette Taxes	153.3	1.0%	138.9	1.0%	(14.4)
Other Revenues	98.1	4.7%	97.6	4.7%	(0.5)
Less: Other Refunds	(23.4)	-11.4%	(23.4)	-11.4%	0.0
Net Receipts	3,708.8	5.2%	3,488.0	4.9%	(220.8)

Table 3.

Balance and Appropriations Worksheet

FY 2008 EXPENDITURES

Total Spending Authority	\$3,747.0
Less: Continuing Appropriations & Encumbrances from FY 2008	(\$284.9)
Less: Reversions	<u>(\$18.0)</u>
Total Expenditures	\$3,444.1

FY 2008 BALANCES

Total Expenditures	\$3,444.1
vs. FY 2008 Revenues	3,251.8
Operating Balance	(192.3)
Prior Year Cash Balance	<u>\$590.9</u>
Cumulative Cash Balance	398.6
Less: Continuing Appropriations & Encumbrances from FY 2008	(284.9)
Less: Budgetary Reserve Account	<u>(\$182.8)</u>
Unencumbered Cash Balance 6/30	(\$69.1)

FY 2009 APPROPRIATION LIMITS

FY 2009 Revenue Estimate	\$3,323.6
Unencumbered Cash Balance from FY 08	<u>(\$69.1)</u>
100% Appropriation Limit	\$3,254.6
98% Appropriation Limit	<u>\$3,189.5</u>
Prior 98% Appropriation Limit	\$3,501.4
Increase (Decrease) from Prior Meeting	(\$311.9) -8.9%
Dec. 2007 98% Appropriation Limit	\$3,501.4
Increase (Decrease) from December 2007	(\$311.9) -8.9%

Table 4.

Delaware Department of Transportation
FY 2008 EXPENDITURES (through February)

(\$ in millions)

	FY2005	FY2006	FY2007	FY2008	December	March	\$ difference	\$ difference	\$ difference	FY2008	67%
	Actual	Actual	Actual	Appropriation	FY2008	FY2008	March V.	Forecast V.	Forecast V.	YTD	% spent
Operations					Forecast	Forecast	December	Appropriation	FY2007 Actual	Spend	YTD
Debt Service	99.2	146.2	115.1	130.8	123.5	119.4	(4.1)	(11.4)	4.3	79.6	66.7%
Personnel Costs	81.2	87.1	106.1	96.5	95.9	95.9	0.0	(0.6)	(10.2)	61.4	64.0%
Operations/Capital Outlay	52.8	42.7	49.5	53.1	53.1	53.1	0.0	0.0	3.6	36.7	69.1%
Transit Operations (DTC)	<u>70.4</u>	<u>74.3</u>	<u>79.3</u>	<u>85.2</u>	<u>85.8</u>	<u>85.8</u>	0.0	<u>0.6</u>	<u>6.5</u>	57.3	66.8%
Total Expenditures - Operations	303.6	350.3	350.0	365.6	358.3	354.2	(4.1)	(11.4)	4.2	235.0	66.3%
Capital (State)											
Road System	186.5	211.8	121.3	186.2	144.7	135.7	(9.0)	(50.5)	14.4	88.2	65.0%
Grants & Allocations	25.1	23.9	30.5	38.1	28.1	21.1	(7.0)	(17.0)	(9.4)	16.1	76.3%
Support Systems	53.3	26.7	28.3	45.1	45.1	43.1	(2.0)	(2.0)	14.8	13.0	30.2%
Transit	<u>14.8</u>	<u>4.1</u>	<u>3.5</u>	<u>17.1</u>	<u>17.1</u>	<u>15.1</u>	(2.0)	(2.0)	<u>11.6</u>	<u>2.5</u>	16.6%
Total Expenditures- State Capital	279.7	266.5	183.6	286.5	235.0	215.0	(20.0)	(71.5)	31.4	119.8	55.7%
Capital (Federal)											
Road System	94.0	101.3	83.7	207.5	114.2	88.8	(25.4)	(118.7)	5.1	78.4	88.3%
Grants & Allocations	0.0	0.0	0.0	0.0	0.8	0.8	0.0	0.8	0.8	0.8	100.0%
Support Systems	0.3	0.2	8.5	17.4	17.4	17.4	0.0	0.0	8.9	8.4	48.3%
Transit	<u>6.7</u>	<u>8.4</u>	<u>12.2</u>	<u>39.0</u>	<u>39.0</u>	<u>23.0</u>	(16.0)	(16.0)	<u>10.8</u>	<u>4.4</u>	19.1%
Total Expenditures - Federal Capital	101	109.9	104.4	263.9	171.4	130.0	(41.4)	(133.9)	25.6	92.0	70.8%
Total Expenditures - Capital	380.7	376.4	288.0	550.4	406.4	345.0	(61.4)	(205.4)	57.0	211.8	61.4%
TOTAL EXPENDITURES	684.3	726.7	638.0	916.0	764.7	699.2	(65.5)	(216.8)	61.2	446.8	63.9%

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

				Fiscal 2008			Fiscal 2009		
	FY 06 Actual	FY 07 Actual	% Chg. FY 06	12/17/2007 Approved	03/17/2008 Recomm	% Chg. FY 07	12/17/2007 Approved	03/17/2008 Recomm	% Chg. FY 08
<u>TOLL ROAD REVENUES:</u>									
I95 Newark Plaza	\$85.0	\$93.9	10.5%	\$115.7	\$115.7	23.2%	\$125.4	\$125.4	8.4%
Route 1 Toll Road	31.5	32.6	3.4%	\$40.7	\$40.7	24.8%	\$46.3	\$46.3	13.8%
Concessions	<u>2.7</u>	<u>2.8</u>	<u>3.7%</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>-3.5%</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>0.0%</u>
Total Toll Road Revenues	119.2	129.4	8.5%	\$159.1	\$159.1	23.0%	\$174.4	\$174.4	9.6%
<u>MOTOR FUEL TAX ADMIN.</u>	123.7	120.8	-2.3%	\$126.0	\$124.0	2.6%	\$128.5	\$126.5	2.0%
<u>DIVISION OF MOTOR VEHICLES</u>									
Motor Vehicle Document Fees	64.9	62.7	-3.3%	\$68.0	\$65.2	4.0%	\$81.2	\$77.9	19.4%
Motor Vehicle Registration Fees	30.2	31.5	4.2%	\$44.4	\$43.1	37.0%	\$50.7	\$49.2	14.2%
Other DMV Revenues	<u>20.3</u>	<u>20.5</u>	<u>0.7%</u>	<u>\$25.2</u>	<u>\$24.1</u>	<u>17.7%</u>	<u>\$26.8</u>	<u>\$25.6</u>	<u>6.3%</u>
Total DMV Revenues	<u>115.4</u>	<u>114.6</u>	-0.7%	<u>\$137.6</u>	<u>\$132.4</u>	15.5%	<u>\$158.7</u>	<u>\$152.7</u>	15.3%
<u>OTHER TRANSPORTATION REV.</u>									
Other Transportation Rev	13.0	15.7	20.8%	\$10.2	\$10.2	-35.0%	\$10.4	\$10.4	2.0%
Investment Income(Net)	<u>7.9</u>	<u>14.8</u>	86.0%	<u>\$13.1</u>	<u>\$13.1</u>	<u>-11.3%</u>	<u>\$10.0</u>	<u>\$10.0</u>	<u>-23.7%</u>
Total Other Transp. Revenue	<u>20.9</u>	<u>30.5</u>	<u>45.5%</u>	<u>\$23.3</u>	<u>\$23.3</u>	<u>-23.6%</u>	<u>\$20.4</u>	<u>\$20.4</u>	<u>-12.4%</u>
GRAND TOTAL	<u>\$379.2</u>	<u>\$395.3</u>	<u>4.2%</u>	<u>\$446.0</u>	<u>\$438.8</u>	<u>11.0%</u>	<u>\$482.0</u>	<u>\$474.0</u>	<u>8.0%</u>

(\$7.2)

(\$8.0)

Totals may not add due to rounding